NUEXCO

EXECUTIVE SUMMARY
REPORT 196
(All data as of November 30, 1984)

Exchange Value
$15.50, down $0.50

The **Exchange Value** is **$15.50** per pound U_3O_8, down $0.50 since last month. Three recent uranium sales are reported, involving approximately 10 million pounds U_3O_8 equivalent. All were sales of natural UF_6; two involved deliveries prior to 1986, and one met the conditions for inclusion in the Transaction Value.

Supply-Demand Ratio
fell to 4.0:1

Active spot and near-term **uranium supply** amounts to **5.2 million** pounds U_3O_8 equivalent, down 200 thousand pounds since last month. Active spot and near-term **uranium demand** totals **1.3 million** pounds, up 35 thousand pounds. The spot and near-term **supply-demand ratio** declined to **4.0:1.**

Transaction Value
fell $0.15, to $15.90

The **Transaction Value** is **$15.90** per pound U_3O_8, down $0.15 since last month. The calculation includes 11 transactions involving a total of 3.5 million pounds U_3O_8 and equivalent UF_6, and covers a period of 6 months.

Loan Use Charge Rate
unchanged at 6%

The **Loan Use Charge Rate** remains **6 percent** per annum in a dormant market.

Conversion Value
fell to $0.80

The **Conversion Value** is **$0.80** per pound U as UF_6, down $0.20 since last month. No secondary market conversion transactions are reported. Active secondary market supply of conversion services for delivery within three years totals 1.2 million pounds U as UF_6. No active demand is reported.

SWU Values:
$115 for DOE-origin (FY85)
$15 discount for FY86
$85 for non-DOE origin
(delivery within 15 months)
$95 for calendar year 1986

The **SWU Values** are **$115** per SWU of DOE origin certifiable as excess and FY85 delivery, at .3 tails, and **$15** per SWU discount from DOE base price for FY86 delivery (at .3 tails). SWU Values for other SWUs (non-DOE or non-certifiable) are **$85** per SWU for delivery within 15 months, and **$95** per SWU for calendar year 1986. Seven secondary market SWU transactions are reported, involving 370 thousand SWUs. Active secondary market SWU supply amounts to 475 thousand SWUs, while active demand totals 125 thousand SWUs.

Pricing

In an article entitled "DOE: Business or Government Service?", Nuexco CEO J. R. Wolcott reflects on some of DOE's recent actions.

Analysis & Commentary

The second in a series of three articles on the concepts and applications of the optimum tails assay demonstrates how the tails assay for minimum product cost changes when the unit price of SWU is dependent on the tails assay.

Focus

Sweden's ten operating reactors and development of nuclear technologies have propelled it to a position of leadership in the use of nuclear energy.

Australia

The Chairman of Western Mining Corp. indicated that full production of Roxby Downs would be achieved in stages, and initial production of the project would focus on high-grade gold areas.

Japan

The Federation of Electric Power Companies continues to plan for the construction of enrichment, reprocessing, and waste storage facilities on the island of Honshu.

United States

Uranerz Exploration & Mining and UNC Resources have settled out of court in a dispute over a canceled uranium supply contract several days before a jury trial was to begin.

Raw Materials

Uranium resources in South Africa occur in five different environments, and are often associated with gold, pyrite, or copper mineralization.

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NUEXCO REPORT 196 FIGURES OF THE MONTH (November 30, 1984)	This Month (Report 196)	Last Month (Report 195)	12 Months Ago (Report 184)
Exchange Value[1]	15.50	16.00	22.50
Transaction Value[1]	15.90	16.05	23.85
Loan Use Charge Rate[2]	6%	6%	6%
Conversion Value[3]	0.80	1.00	0.60
Near-Term Uranium Supply[4]	5.2	5.5	5.7
Near-Term Uranium Demand[5]	1.3	1.3	3.1
Near-Term Supply-Demand Ratio	4.0	4.3	1.8
Recent Uranium Sales:			
Number of Transactions[6]	3	11	5
Quantity of Material[7]	9.8	1.6	6.2
Nuexco SWU Values:[8]			
DOE origin, certifiable as excess, 0.3 tails assay			
FY85 delivery	115	115	—
FY86 delivery	15[9]	20[9]	—
Other SWUs (non-DOE or non-certifiable)			
delivery within 15 months	85	90	—
delivery for calendar year 1986	95	98	—
USDOE SWU Prices:			
USEC	135.00	135.00	—
AFC	153.00[10]	153.00[10]	138.65
Requirements	157.00[10]	157.00[10]	149.85
Market Value of Enriched UF_6[11] [12]:			
2.5 w/o U_{235}	518	528	693
3.0 w/o U_{235}	671	683	896
3.5 w/o U_{235}	828	842	1,103
4.0 w/o U_{235}	987	1,003	1,313

[1]US $ per pound U_3O_8 equivalent.
[2]Per annum.
[3]US $ per pound U as UF_6.
[4]Active inquiries to sell, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[5]Active inquiries to purchase, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[6]Uranium sales only; does not include loans, conversion, or SWU transactions.
[7]Millions of pounds U_3O_8, equivalent.
[8]US $ per SWU.
[9]Discount from USEC base price on delivery.
[10]Effective 10/1/84.
[11]Calculated using the Nuexco Exchange Value, Conversion Value, and 0.30 percent tails assay. From 10/31/83 through 2/29/84, calculations used the Nuexco SWU Value for DOE origin and FY84 delivery. As of 3/31/84, calculations use the Nuexco SWU Value for DOE origin and FY85 delivery.
[12]US $ per KgU as UF_6, rounded to the nearest $.

INDEX TO LAST MONTH'S REPORT (195)

Topic		Page
Analysis & Commentary	Theory and Economics of the Tails Assay	16
Australia	Government Purchase of QML Uranium	20
South Africa	Third Quarter Chamber of Mines Production	21
United States	EIA 1983 Production and Resources Statistics	22
Uranium Marketing and Prices	*Natural Uranium and Conversion* Pricing in October 1984	1
	Enriched Uranium and SWUs Pricing in October 1984	2

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